

MINUTES OF THE JOINT EXECUTIVE APPROPRIATIONS COMMITTEE

June 15, 2004 at 1:00 P.M.

Room 303, State Capitol Building

Members Present: Sen. Leonard, Blackham, Co-Chair
Rep. Ron Bigelow, Co-Chair
Sen. Ron Allen
Sen. Gene Davis
Sen. Mike Dmitrich
Sen. Karen Hale
Sen. Peter Knudson
Pres. Al Mansell
Sen. John Valentine
Sen. Michael Waddoups
Rep. Jeff Alexander
Rep. Greg J. Curtis
Rep. Brent Goodfellow
Rep. Patricia Jones
Rep. Brad King
Rep. Karen Morgan
Rep. Michael Styler
Rep. Rebecca Lockhart, Vice-Chair
Sen. Bill Hickman, Vice-Chair

Staff Present: John Massey, Director, Legislative Fiscal Analyst
Michael Kjar, Deputy Director, Legislative Fiscal Analyst
Lynette Erickson, Secretary

Others Present: Dan Becker, Court Administrator
Kim Allard, Director, Court Services
Richard Kendell, Commissioner, Board of Regents

List of Others Present on File

Committee Co-Chairman Blackham called the meeting to order at 1:20 p.m.

2. Report from the Court Administrator - SB 1, Item 31 - Feasibility of establishing an electronic filing system in the court system

Dan Becker, Court Administrator, began their presentation on electronic filing in the courts by saying that selected documents have been converted to electronic filing since 1992. They have proceeded at a pace for which technology and resources allow. In the last two years, they have adopted a strategic plan and are now looking at future applications.

Kim Allard, Director, Court Services, presented a power point presentation (handout included), on their implementation of an electronic filing system as directed in SB 1. She said over 97,000 e-filing transactions took place last year and over 1,200 documents were digitally signed by judges in May. They are moving ahead of resources allow and project the costs for their strategic 7- year plan as a one-time infrastructure cost of \$277,500 with an on-going expense of \$148,000 for staff and current expenses.

Mr. Becker responded to questions from the committee. Rep. Curtis questioned user fees and Mr. Becker said they are trying to stay away from a surcharge to file electronically rather than traditionally. Rep. Bigelow questioned infrastructure costs. Rep. Alexander questioned if e-filing would eliminate clerk positions. It was explained that this could absorb some potential future cost increases. Mr. Becker concluded that their request for funding would not be for the entire amount, as funding could be staggered over the next few years.

1. Approval of Minutes

MOTION: Having a quorum present, Rep. Bigelow moved the minutes of May 18, 2004 be approved with correction that voting motions do not include Rep. Lockhart and Sen. Hickman as voting. The motion passed unanimously with Sen. Dmitrich and Speaker Stephens absent at the time of voting.

3. Report from Higher Education - Remedial Education - HER 11

Mr. Boyd Garriott briefly commented on remedial education in higher education and referred to a report included in the packet. He said that during the last session this issue had become a topic of discussion and the Higher Education Committee had identified about \$3 million which could be saved, but university presidents should be allowed flexibility to solve remedial program needs for their institutions.

Commissioner Richard Kendell of the Board of Regents noted that of students entering college this fall, approximately 15% will need some form of remediation and at any time there are approximately 4-5% of students in remedial education. He said there is currently a disconnect between higher education and public education which needs to be addressed and he feels that high school students need to take a rigorous plan of study to be ready for college. There is a new tool available that word needs to get out about called Utah Mentor. This program has 15,000 student accounts electronically available and allows students to browse through all kinds of information regarding admission requirements, college courses available, scholarships, financial aid and even transfer information. It is a terrific tool and they are trying to get it out to junior and senior high students. They have trained over 4,000 school counselors throughout Utah's school districts on it, but still have a long way to go.

Commissioner Kendell presented a new proposal for remedial education saying it will be sustained by tuition only for 17-21 year olds starting next year. A persuasive case was made for students coming back to college after being in the work force that they may need basic skill training which will continue to be partially state funded. Open enrollment programs will continue to offer remedial programs, but the funding will be different.

Pres. Mansell raised concern about possibly flushing students out until they were 21 because they would not be able to afford remedial classes. He suggested students needing remedial programs be encouraged to go where these programs can be done cheaper rather than at the University of Utah or Utah State University. He asked if there was another way to do this so kids are not limited.

Mr. Garriott responded that Utah Valley State College had tried a new program that was successful, but had ran out of money. They had evaluated 10th grade students, and instead of wasting their senior year, had encouraged and indicated to students which courses they needed to prepare them for college.

Commissioner Kendell responded that four institutions have already moved in this direction. The University of Utah and Utah State University are getting out of providing remedial programs as shown in Table 2. At Salt Lake Community College about two-thirds of their students are adults who have come back to college and may need remedial courses. He continued that the burden is on institutions, not on students, and he believes that our system of multiple choices has stayed our economy. "Rescuing people at any age is a valid thing especially at smaller colleges and this is heart and soul of what they do."

Sen. Blackham suggested looking at billing school districts for remedial classes. Rep. Alexander gave recommendations on exit exams and realigning curriculum so high school teachers can prepare students for college. He asked how successful are those that take remedial courses and if they were lost before they completed the courses. He wondered about students' expectations that they could get into college even if they didn't have good grades and he expressed parents' frustration with electives graduation requirement changes made last year. He said he thought it would help public education if all higher education institutions came out with a clear statement of their admission expectations.

Commissioner Kendell responded they working on coordinating their efforts with public education and he is in favor of higher education making its expectations more well known. He feels the state is on target with performance plus and giving more attention early to those struggling in public education. He continued that our research institutions' expectations are clear, but our open admissions philosophy may not do justice for all students to thrive in the college environment. They are coming up with a report on what is expected for students to succeed.

Sen. Valentine questioned tuition cost differences for remedial education at different institutions. as listed on the handout, specifically at UVSC. Commissioner Kendell responded that UVSC is currently under

duress because they admitted a large number of students when there was no state support. The only revenue enhancement they have is tuition. Other institutions will fall into this same pattern.

Rep. Goodfellow stated he feels strongly that by changing remedial education funding, we are cutting off the students who need help the most and this would change the mission of college. If students are successful, it will help them in their life and they are not going to come when they have to pay two to three times more to attend then if they waited until they are 21.

MOTION: Rep. Goodfellow made a motion that Recommendation #4 be set aside until we have more information. This recommendation is "The State Board of Regents should revise Regent Policy R506, Inventory of Budget-related and Self-supportive Courses, to specify that students age 21 and under in remedial courses at Snow, DSC, CEU, UVSC and SLCC should be excluded from enrollment counts for state funding purposes beginning with the 2005-06 budget request."

Rep. Jones. and Rep. Goodfellow spoke to the motion. Commissioner Kendell reaffirmed they are open to continuing remedial programs. He said they had come with recommendations as directed in HER 11, but if a less corrosive policy was desired, they were happy to do that. They know a tuition driven system is going to be harder to manage and if current budget times were better, this would not be on the plate.

Sen. Waddoups suggested they look at teaching remedial classes at off times when there isn't as much demand for classrooms. Rep. Bigelow commented this is a much broader issue than just cost. By policy how far do we go, is there a point of diminishing returns? If there are remedial courses, should they be in college? This is an attempt to identify policy and have the cost burden shift to students. Should some that are struggling be in job training programs rather than remedial programs? He said these needs to be evaluated and discussed a little more.

SUBSTITUTE MOTION: Pres. Mansell made a substitute motion to defer acceptance of Recommendation #4 (see above motion) with a request that the State Board of Regents come back with one or more plans that would be less corrosive and would do less damage. In addition, he asked they put into context, time and grade in school as needed and provide detail on what it would cost, what it would save, and what it would do. In conclusion he asked that we figure out the right way to do this before we jump off the cliff and requested the State Board of Regents to continue to look at this and come back with different proposals.

Rep. Jones questioned the impact on students. Pres. Mansell suggested looking at a surcharge. Rep. Alexander suggested that the real intent is to get other schools to change open access. Commissioner Kendell said that clearly the University of Utah and Utah State University are getting out of remedial education business all together. Students will have to go to other institutions, but they are sensitive to UVSC, which has taken additional students as a fallout of policy change.

Rep. King commented that there would be fewer students needing remedial math if they had to take math their senior year. Currently, many students don't do any math or english for the two years before they enter college. Some of the problems here are a result of the system, not the teachers or students.

Rep. Morgan suggested that information on Utah Mentor be included in information sent by schools to parents, beginning in 8th grade. Commissioner Kendell responded they were working on links to help students plan their entire college education experience.

4. Proposal for Medicaid Vision Program

Aaron Schubach, Vice President of Standard Optical introduced a program his company was offering that would provide limited vision care for Medicaid recipients to help get them back in the workforce. They would provide a comprehensive eye exam and single vision glasses and frames for \$49.95 to be paid by the Medicaid recipient. He requested the committee direct the state to notify Medicaid enrollees of this program. In addition, he suggested that approximately \$500,000 be allocated in the 2005 session to restore Medicaid vision services.

Sen. Hickman, asked why the state would do this when it seemed like marketing for a private company. Mr. Schubach responded that it was a public awareness program and he would welcome other chains to offer a similar program. Sen. Allen asked how they could do this so reasonably. Rep. Morgan asked if they were committed to this program whether or not an appropriation was made. Mr. Schubach said they were committed to do it for 12 months with or without funding. Rep. Bigelow commented he feels it is appropriate for the state to refer Medicaid enrollees to this program. Sen. Blackham commended them for their willingness to come forward with this proposal and providing this service so reasonably. Sen. Dmitrich also commended them saying this is not a marketing tool, they are looking at how they can help Utah.

5. Department of Human Services - Division of Aging and Adult Services - Report on the aging population and potential impacts on programs and budgets

Helen Goddard, Director, Division of Aging and Adult Services and Assistant Director Ron Stromberg presented a power point presentation on our aging population and projections of growth and needs saying it is time to lay the groundwork to take care of the tremendous growth of the baby boomer population over the next 40 years. They gave many statistics and projections including the following:

- ✓ One-half of the baby girls born this year will live to be 100.
- ✓ Age expectancy in 1900 was 45 years of age and by 2050 it will be 100.
- ✓ Utah is the 4th fastest growing state and the sixth fastest growing of residents aged 65 or older.
- ✓ Between 1990 and 2000, the number of citizens age 85 and older increased 60% in Utah while only 38% nationally.

- ✓ Utah is tied with Minnesota as having the second longest life expectancy of all the states.
- ✓ For men, the age expectancy is 79 (72 nationally) and for women it is 85 (79 nationally).
- ✓ Currently those age 65 and above is 8.5 percent of our population
- ✓ About 11,500 Utahns will turn 65 this year. In 2012, nearly 20,000 Utahns will reach that age. Only 3% are currently in nursing homes. Of those over 70, 39% require assistance devices. Fifty percent of those 85 and older will be diagnosed with Alzheimer.
- ✓ Baby boomers (born between 1946 and 1964) represent one-third of the U.S. population and 23 % of our state's population. Birth to 9 year old age-group is only 18%. Retiring boomers will present a host of political and health care problems. They are an active population. They have always experienced shortages.
- ✓ There will be fewer workers to support this population. In 1950 there were 16 workers to every retiree. By 1999, there were only 3.3 workers, and it is expected this will drop to 1.6 workers by the year 2040.

Mr. Stromberg continued indicating these projections will significantly impact society in general and state budgets. He discussed tax revenues and tax incentives, economic development workforce, health care, and impact on government agencies. Driver licenses, home delivered meals, and inmates numbers will increase. In conclusion, Director Goddard said we must take advantage of the lead time we have to be ready to meet these needs and requested a task force or commission be formed to study how to best meet the needs and demands of a growing older population.

7. Tax Commission - TC 23 Overview

Due to time constraints, this item on the agenda was saved for a future meeting.

8. Federal Funds Report

John Massey explained that as a result of HB 231, the Governor's office is required to issue a report listing Federal Assistance Grant Applications that require Legislative action for the committee to review and give input on. He drew attention to a handout showing ten new grant applications, reauthorizations or revisions. He suggested committee members contact his office within the next couple of days after they've had an opportunity to review the information with any concerns they might have. The total amount of State money comes to \$373,000 and includes 8.65 FTE's. They will pass on any concerns received to the Governor's office. Rep. Curtis stated opposition to eight FTE's and said he doesn't want silence to indicate approval.

MOTION: Rep. Goodfellow moved that the report be considered approved after the committee has had an opportunity to review it and let staff know of any concerns.

Rep. Styler and Speaker Stephens questioned Item #6. Richard Ellis and Hunter Finch, GOPB, briefly responded that the \$160,048 state match would come from existing program funds. They were asked to find out specifically where the money is coming from and what programs are being cut. Speaker Stephens asked that this item be held until further information is received. Sen. Waddoups pointed out that #8 has a similar match and wondered what they were doing there..

SUBSTITUTE MOTION: Speaker Stephens moved that the grant applications be approved as submitted except Item #6, Transforming Healthcare Quality Through IT at the Department of Health and Item #8, Utah Dance Education Research at the Department of Community and Economic Development, and that those two be held for consideration until further information is received. The motion passed unanimously with Sens. Allen, Davis and Valentine absent at the time of voting.

9. Update on Inmate Housing - Department of Corrections

Mike Chabries, Executive Director of the Utah Department of Corrections, briefly reported that the Salt Lake County Commission last week had voted to reject the state's offer to buy the Oxbow facility and the Mayor had included that facility in her budget for the operations of Salt Lake County. Based on that and a cost analysis, Governor Walker had sent them a letter saying that the state is not interested in leasing the facility. They are now in the process of developing an RFP that would provide for the privatization of a design, build facility for women's prison. Co-Chairman Blackham asked that they look at all alternatives as they formulate this, such as expansion of current sites, and explore all possibilities.

MOTION: Rep. Bigelow made a motion to adjourn. The motion passed unanimously.

The meeting adjourned at 3:10 p.m.